

WS-03478A-12-0307

ORIGINAL

ARIZONA CORPORATION COMM
UTILITY COMPLAINT FORM



0000141235

Investigator: Tom Davis

Phone:

Fax:

Priority: Respond Within Five Days

2013 JAN -2 A 11: 58

Opinion No. 2013 - 107574

Date: 1/2/2013

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: John & Sallee

Knueppel

Account Name: John & Sallee Knueppel

Home: (000) 000-0000

Street:

Work: (000) 000-0000

City: Yuma

CBR:

State: AZ Zip: 85367

is: Cellular

Utility Company: Far West Water & Sewer, Inc.

Division: Water

Contact Name:

Contact Phone:

Nature of Complaint:

OPPOSED

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WASTEWATER

BASED ON THE FOLLOWING INFORMATION, we the customers of Far West Water and Sewer Co., would like to ask the Arizona Corporation Commission to NOT APPROVE the application submitted by Far West Water and Sewer Company, Docket No. WS-03478A-12-0307

A. Far West provides water and sewer services to the Foothills area east of Yuma. There are approximately 8000 residential and commercial customers in this unincorporated area of Yuma County who would receive a rate increase of 188.05%. Once approved this new rate will be the permanent rate and will continue until Far West decided to raise the rates again.

B. Far West Water and Sewer Co., and H & S Developers have been fined and are required to pay penalties for numerous repeated alleged water and air quality violations dating back as far as 1989, 50 counts filed September 9, 2008 and additional corrections and judgements in 2010 that could amount to judgements of millions of dollars.

H & S Developers is also named because it provided the services until forming Far West as a separate company in 1998 when it transferred drinking water and wastewater facilities ownership to the new company.

C. In 2006 Far West Water and Sewer finally came into compliance with ADEQ. The company has now expanded its lagoon by 300%. We speculate that this effort was only put forth to compensate for the recent subdivision that H & S Development Co. started at this time.

D. Winter residents currently flock to Yuma because of the weather and because it is economically feasible to maintain a second home here. Winter residents increase Yuma's population each year by more than 80,000 people with the majority living in the Foothills. This population will be especially affected by this increase because, since 2003, they pay for 6 months of sewer fees despite being unable to flush their toilets because they have returned to their primary residences.

ARIZONA CORPORATION COMMISSION

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E. Of the "full time" Foothills residents there is a large percentage of Retirees living on a fixed income. Many more are the working class. If the proposed increase passes it would only succeed in further devastating the local economy. There are many folks who live paycheck to paycheck as it is. A fee increase as proposed could potentially force many people to sell or foreclose. With the housing market as it is today, this will only add to the declining economy.

IN CONCLUSION:

* We don't feel that the current customers should incur the costs necessary to cover a new wastewater plant needed to serve future growth. At most this cost should be absorbed by impact fees on the new lots being developed. We believe they have not suggested this because it would reduce the parent company's building profits, in part due to the recession limiting the builder's inability to charge more than the market will bear.

* We further feel that this increase is also being requested as a direct result of negligence on the part of Far West Water & Sewer. It appears as if they're poor planning failed to prevent numerous ADEQ violations. We the customers of Far West Water and Sewer do not feel that this is a cost that should be transferred to current customers.

* We feel that Far West Water and Sewer Co., should have maintained the current facilities as repeated violations have been submitted since 1990 from ADEQ as well as the September 9, 2008, 49 page complaint in Maricopa County Superior Court in which 50 counts were filed against these companies, and again in 2010 when additional fines were filed for wastewater violations and negligence. In 2006 the plant finally came into compliance with ADEQ receiving permission to allow more hookups. Maintaining is what the company should have focused on, but instead they only increased their lagoon by 300%

THEREFORE, we feel that this enormous increase is not justified. We the current owners feel that the extra charges requested are to aid H & S Developers and Far West Water and Sewer in paying settlements incurred due to lawsuits and penalties owed to ADEQ for lack of safety and loss of life. We also feel it is possible that Far West is trying to offset the costs incurred by H & S Development Co.'s newer developments. Their lack of sales and poor investments are not our responsibility. Far West Water and Sewer and H & S Developers for years should have been investing their revenues in maintaining the system they have in place. If that had been the case, they would not be requesting this large increase.

Other cities in Arizona* have been investigated and it has been found that they have seen rate increases of 5-9.5%. A small percentage is acceptable and necessary, but 188% IS NOT. We the customers cannot afford this increase. We hope you will consider our concerns and VOTE NAY on this application Thank you.

Dated this 27th day of December, 2012

Average Sewer Rates around Arizona

Tucson: \$40.69/month- however if you are gone for 1 month or more only a monthly service fee of \$11.86 is charged.

Phoenix: \$34.25/ month

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. WS-03478A-12-0307.

CLOSED

End of Comments